

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 NEAE-00 CIAE-00 DODE-00
PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01
SP-02 SS-15 ICA-11 AID-05 PC-01 SSC-01 TRSE-00
OMB-01 AGR-01 FTC-01 JUSE-00 EB-08 COME-00 SAA-02
/096 W

-----010414 031456Z /43

P R 031325Z JUL 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC PRIORITY 2556
INFO AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMEMBASSY COLOMBO
AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
AMEMBASSY KABUL
AMEMBASSY KATHMANDU
AMCONSUL MADRAS
AMEMBASSY MOSCOW
CINCPAC

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CINCPAC FOR POLAD

E.O. 11652: N/A
TAGS: PINT, IN
SUBJECT: WHAT NEXT ON THE POLITICAL FRONT?

REF: NEW DELHI 10126

1. SUMMARY: DELHI CONTINUES TO HUM AS GROUPS WITHIN THE
JANATA SEEK TO READJUST TO THE NEW POLITICAL REALITIES CAUSED
BY THE ABRUPT OUSTER OF CHARAN SINGH AND RAJ NARAIN FROM THE
CABINET. SOME OTHER MORE MINOR BLD FIGURES HAVE TENDERED
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THEIR RESIGNATIONS FROM GOVERNMENT AND PARTY POSTS OUT OF
SOLIDARITY WITH THEIR FALLEN MENTOR. CHARAN SINGH AND HIS
FOLLOWERS SEEM ANGRY AND STUNNED AT THE SUMMARY TREATMENT
METED OUT BY THE PM, BUT CLAIM THAT THEY WILL REMAIN IN THE
JANATA TO CARRY ON THE FIGHT WITHIN THE PARTY. THE TOUGH-
TALKING FORMER HOME MINISTER HAS CONSIDERABLE POTENTIAL TO
DAMAGE THE PARTY FROM WITHIN AND IN PARTICULAR TO EMBARRASS

THE PM BY RELEASING "REPORTS" ON THE BUSINESS DEALINGS OF MORARJI'S SON, KANTIBHAI. THE STATUS OF THE THREE BLD CHIEF MINISTERS IN THE NORTHERN STATES IS BEST DESCRIBED AS DELICATE, BUT AT PRESENT ONE OF THEM, KARPOORI THAKUR IN BIHAR, SEEMS PREPARED TO SIDE WITH MORARJI. THE PRIME MINISTER MAY DELAY NAMING NEW HOME AND HEALTH MINISTERS FOR SEVERAL DAYS. JAGJIVAN RAM SEEMS TO BE THE FRONTRUNNER FOR HOME. WHILE THE SITUATION IS STILL FLUID, IT IS CLEAR THAT IN DRAMATICALLY CALLING CHARAN SINGH'S BLUFF, THE PM HAS SCORED A MAJOR VICTORY WHICH COULD STRENGTHEN HIS HAND IN PARTY AND GOVERNMENT AFFAIRS. END SUMMARY.

2. POLITICAL CIRCLES IN DELHI HAVE BEEN BUZZING WITH HURRIED MEETINGS, SPECULATION AND RUMORS IN THE WAKE OF THE FORCED RESIGNATIONS OF CHARAN SINGH AND RAJ NARAIN FROM THE CABINET LATE ON JUNE 30 (REFTEL). THE DUST HAS NOT SETTLED YET, AND SEVERAL DAYS MAY ELAPSE BEFORE A CLEAR PICTURE EMERGES.

3. THE LETTERS OF RESIGNATION OF THE HOME AND HEALTH MINISTERS WERE ACCEPTED BY PRESIDENT N. SANJIVA REDDY ON JULY 1. OTHER FALL-OUT WAS ABOUT AS ANTICIPATED: FOUR MINISTERS OF STATE IN THE DESAI GOVERNMENT SUBMITTED THEIR RESIGNATIONS FROM THE CABINET, BUT THESE HAVE NOT YET BEEN ACCEPTED BY THE PRIME MINISTER. ALL FOUR ARE FROM U.P. (CHARAN SINGH'S HOME STATE) AND WERE MEMBERS OF THE ERST-WHILE BLD. THEY LIMITED OFFICIAL USE

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RESIGNED AS A GESTURE OF SOLIDARITY WITH THEIR MENTOR, THE FORMER HOME MINISTER. SIMILARLY, RABI RAY, ALSO OF THE BLD AND A PROTEGE OF CHARAN SINGH, RESIGNED AS GENERAL SECRETARY OF THE JANATA PARTY. HIS RESIGNATION ALSO HAS NOT YET BEEN ACCEPTED. ACCORDING TO SOME REPORTS, JANATA INTERMEDIARITES ARE AT WORK TO CONVINCE RAY AND THE FOUR MINISTERS OF STATE TO WITHDRAW THEIR RESIGNATIONS. OF GREATER SIGNIFICANCE, HOWEVER, IS THAT SEVERAL LEADING EX-BLD FIGURES HAVE NOT RESIGNED FROM THE GOVERNMENT. FOREMOST OF THESE IS BHANU PRATAP SINGH, MINISTER OF STATE FOR AGRICULTURE IN THE DESAI CABINET AND FORMERLY A CLOSE ASSOCIATE OF CHARAN SINGH IN U.P. RATHER THAN RESIGN, BHANU PRATAP SINGH CRITICIZED THE "ILL-ADVISED" ACTIONS OF THE FORMER HOME MINISTER AND EXPRESSED HIS SUPPORT OF THE PM.

4. CHARAN SINGH AND HIS FOLLOWERS SEEM ANGRY AND STUNNED AT THE HARSH TREATMENT METED OUT BY MORARJI DESAI. HE AND RAJ NARAIN HAVE ALLEGED THAT THERE WAS A "CONSPIRACY" TO OUST THEM. CHARAN SINGH ALSO CHARGED THAT FOREIGN MULTINATIONAL CORPORATIONS AND INDIAN BIG BUSINESS HOUSES WERE INSTRUMENTAL IN CAUSING HIS DOWNFALL, AN ALLEGATION TYPICAL OF THIS LEADER'S DISTRUST OF BIG BUSINESS AND HEAVY INDUS-

TRY. CHARAN SINGH LOYALISTS APPEAR TO BE MAINTAINING A BRAVE FRONT, BUT THEIR FRUSTRATION AND ANGER ARE CLEARLY EVIDENT. IN TALKS WITH NEWSMEN OVER THE WEEKEND, HOWEVER, CHARAN SINGH EMPHASIZED THAT HE AND HIS SUPPORTERS WOULD REMAIN IN THE PARTY. (AS WE HAVE POINTED OUT EARLIER, HE PRESUMABLY REALIZES THAT HE HAS NOWHERE ELSE TO GO AT PRESENT.)

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/097 W

-----010698 031500Z /50

P R 031325Z JUL 78
FM AMEMBASSY NEW DELHI
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INFO AMCONSUL BOMBAY
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CINCPAC FOR POLAD

CHARAN SINGH AND RAJ NARAIN HAVE SERVED NOTICE ON THE PM AND HIS COLLEAGUES THAT THEY INTEND TO PURSUE THE FIGHT AGAINST THEIR OPPONENTS IN THE PARTY. THE TOUGH-TALKING FORMER HOME MINISTER HAS CONSIDERABLE POTENTIAL FOR DAMAGING THE PARTY FROM WITHIN. HE HAS ASKED FOR A MEETING OF THE JANATA PARLIAMENTARY PARTY ON JUNE 16 TO EXPLAIN TO THE ASSEMBLED PARTY MP'S HIS SIDE OF THE STORY. ON JULY 17, THE OPENING DAY OF THE MONSOON SESSION OF PARLIAMENT, CHARAN SINGH IS LIKELY AGAIN TO EXPLAIN AND DEFEND HIS ACTIONS. JANATA MP'S CON-

CEDE TO US THAT THE ANTICIPATED INTEMPERATE OUTBURSTS BY
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CHARAN SINGH ON THESE OCCASIONS COULD INFLICT SERIOUS HARM
ON THE PARTY AND GOVERNMENT. HOWEVER, A MORE DAMAGING DEV-
ELOPMENT COULD BE THAT AN AGGRIEVED CHARAN SINGH MIGHT RE-
LEASE HIS HOME MINISTRY DOSSIERS ON THE BUSINESS ACTIVITIES
OF MORARJI'S SON, KANTIBHAI. IT IS WIDELY BELIEVED IN DELHI
THAT FOR MONTHS CHARAN SINGH WAS PLANTING STORIES IN THE
BOMBAY TABLOID "BLITZ" ALLEGING VARIOUS IMPROPRIETIES BY
KANTIBHAI.

6. THE SITUATION IN BIHAR, U.P. AND HARYANA, ALL THREE STATES
HAVING BLD CHIEF MINISTERS, IS BEST DESCRIBED AS DELICATE.
AT ONE POINT DURING THE WEEKEND, IT SEEMED CERTAIN THAT DEVI
LAL WAS ON HIS WAY OUT AS CM OF HARYANA. ON JULY 1, A SEN-
IOR JANA SANGH MP TOLD AN EMBOFF CATEGORICALLY THAT THE JANA
SANGH MLA'S HAD WITHDRAWN THEIR SUPPORT TO HIM. SINCE THEN,
HOWEVER, THE SANGH APPEARS TO HAVE HAD SECOND THOUGHTS AND
MAY BE WILLING TO SUPPORT DEVI LAL FOR THE MOMENT. THE
JANATA PARLIAMENTARY BOARD IS CURRENTLY MEETING IN DELHI TO
ASSESS THE HARYANA SITUATION. AS FOR BIHAR, WE HAVE BEEN

TOLD THAT THE CENTRAL JANATA LEADERSHIP HAS GIVEN "ASSUR-
ANCES" TO CHIEF MINISTER KARPOORI THAKUR THAT HE WILL BE
ALLOWED TO REMAIN. CONGEN CALCUTTA REPORTS THAT THE BIHAR
JANATA PARTY IS PREPARED TO SUPPORT PRIME MINISTER DESAI'S
DECISION TO OUST CHARAN
INGH AND THAT CHIEF MINISTER THAKUR,
DESPITE HIS BLD ANTECEDENTS, SEEMS LOATH TO RISK HIS POSI-
TION BY OPENLY SIDING WITH THE FORMER HOME MINISTER. THA-
KUR, ALONG WITH MANY OTHER JANATA CHIEF MINISTERS, IS CUR-
RENTLY IN DELHI PARTICIPATING IN A
HECTIC ROUND OF DISCUS-
SIONS. HE TOLD AN EMBOFF THIS MORNING THAT HE HOPED THAT
SOME SORT OF MEETING OF THE MINDS COULD STILL BE ACHIEVED,
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PERHAPS THROUGH A THIRD PARTY INTERMEDIARY SUCH AS J.P.
NARAYAN.

7. IT NOW APPEARS THAT THE PM MAY NOT NAME SUCCESSORS TO
CHARAN SINGH AND RAJ NARAIN FOR SEVERAL DAYS. ACCORDING TO
OUR SOURCES, DEFENSE MINISTER JAGJIVAN RAM IS THE FRONT-
RUNNER AS THE NEXT HOME MINISTER. TO SUCCEED RAM AT DEFENSE,
THE THREE MOST OFTEN MENTIONED CANDIDATES ARE STEEL MINISTER

BIJU PATNAIK, INDUSTRIES MINISTER GEORGE FERNANDES AND INFORMATION MINISTER L.K. ADVANI. PILOO MODY'S CHANCES OF BECOME HEALTH MINISTER ARE SLIPPING.

8. ON ANOTHER FRONT, THE JANATA'S NATIONAL EXECUTIVE IS SCHEDULED TO MEET JULY 12 TO CONSIDER THE STILL-OUTSTANDING ISSUES OF CHARAN SINGH'S RESIGNATION FROM THAT BODY AND THE PARLIAMENTARY BOARD IN LATE APRIL.

9. COMMENT: AS WE HAVE INDICATED PREVIOUSLY, THE ONLY PRINCIPLES INVOLVED IN THE CURRENT CRISIS ARE THOSE OF PARTY DISCIPLINE AND COLLECTIVE RESPONSIBILITY. HOWEVER, IT IS CLEAR THAT UNDERLYING THOSE ISSUES IS THE ESSENTIAL STRUGGLE FOR POWER BETWEEN CHARAN SINGH AND MORARJI DESAI. WHILE THE SITUATION IS STILL FLUID, ONE POINT IS CLEAR, HOWEVER: IN STERNLY CALLING CHARAN SINGH'S BLUFF AND RALLYING THE BULK OF THE PARTY LEADERSHIP TO HIS SIDE, PRIME MINISTER DESAI HAS SCORED A MAJOR VICTORY WHICH SEEMS TO HAVE STRENGTHENED HIS HAND IN BOTH PARTY AND GOVERNMENTAL AFFAIRS.
GOHEEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL STABILITY, INTELLIGENCE ASSESSMENTS, PARTY SCHISMS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE10219
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780274-0103
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780799/aaaadfyd.tel
Line Count: 244
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1bd17c7b-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 NEW DELHI 10126
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2127335
Secure: OPEN
Status: NATIVE
Subject: WHAT NEXT ON THE POLITICAL FRONT?
TAGS: PINT, PINR, IN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/1bd17c7b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014